

STATE OF HAWAII  
STATE PROCUREMENT OFFICE  
HONOLULU, HAWAII  
LEGAL AD DATE: May 22, 1997  
INVITATION FOR BIDS  
NO. IFB-97-227-Mo  
SEALED BIDS  
FOR  
FURNISHING AND DELIVERING  
GASOLINE FOR KALAUPAPA SETTLEMENT  
DEPARTMENT OF HEALTH

will be received up to and opened at 2:00 p.m.

on

June 5, 1997

in the State Procurement Office, Kalanimoku Building, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813.

Questions relating to this bid solicitation may be directed to Mr. Alvin Washiashi at telephone (808) 586-0571, facsimile (808) 586-0570.

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ROBERT J. GOVERNS, CPPB  
Procurement Officer

06/03/96

GASOLINE FOR KALAUPAPA SETTLEMENT  
DEPARTMENT OF HEALTH  
IFB-97-227-Mo

Procurement Officer  
State Procurement Office  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Terms and Conditions dated September 1, 1995 by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof.

The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Date: \_\_\_\_\_

Respectfully submitted,

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

\_\_\_\_\_  
Exact Legal Name of Offeror

Payment address, if other than  
street address at right:

\_\_\_\_\_  
Authorized Signature (Original)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Hawaii General Excise Tax Lic.  
I.D. No.: \_\_\_\_\_

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Social Sec. or Federal I.D. No.:

\_\_\_\_\_  
City, State, Zip Code

If offeror shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

\_\_\_\_\_  
Offeror is: \_\_\_ Individual \_\_\_ Partnership \_\_\_ Corporation \_\_\_ Joint Venture

State of incorporation: Hawaii \_\_\_\_\_ \*Other \_\_\_\_\_

\*If "other", is corporate seal available in Hawaii? \_\_\_ Yes \_\_\_ No

The following bid is hereby submitted:

| ITEM<br>NO. | DELIVERY LOCATION                                                   |                                                | DESCRIPTION        | EST<br>QTY    | UNIT BASE<br>BID PRICE | TOTAL<br>ESTIMATED<br>BID PRICE |
|-------------|---------------------------------------------------------------------|------------------------------------------------|--------------------|---------------|------------------------|---------------------------------|
|             | STORAGE                                                             | TANK CAPACITY (STC)<br>DELIVERY FREQUENCY (DF) |                    |               |                        |                                 |
| 1.          | DEPARTMENT OF HEALTH,<br>COMMUNICABLE DISEASE                       |                                                |                    |               |                        |                                 |
|             | Kalaupapa Settlement<br>Molokai                                     |                                                |                    |               |                        |                                 |
|             | See Bulk Delivery to Kalaupapa<br>Section of the Special Provisions |                                                |                    |               |                        |                                 |
|             | STC:                                                                | 42,000 GAL                                     | GAS, UNLD, REG-87* | 30,000<br>GAL | \$ _____/GAL           | \$ _____                        |
|             | DF:                                                                 | 1/YEAR                                         |                    |               |                        |                                 |

Will bidder transport using State-supplied barge?    YES \_\_\_\_\_    NO \_\_\_\_\_

If transport is on State-supplied barge:

Will bidder use trailers?    YES \_\_\_\_\_    NO \_\_\_\_\_

Size of trailers: \_\_\_\_\_ GALLONS

How many trailers of this size? \_\_\_\_\_

Offeror \_\_\_\_\_

## **SPECIAL PROVISIONS**

### **SCOPE OF WORK**

The furnishing and delivering of Gasoline to Kalaupapa Settlement on the island of Molokai, Department of Health, as specified herein, shall be in accordance with these Special Provisions, Specifications, and the General Terms and Conditions dated September 1, 1995, included by reference and made a part hereof. Copies of the General Terms and Conditions are available at the State Procurement Office, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813 and at the DAGS District Office on the island of Maui.

### **TERM OF CONTRACT**

Contract shall be for the 6-month period beginning July 1, 1997 and ending December 31, 1997 and may be extended by mutual agreement for a period not to exceed six (6) months.

### **STATE'S COMMITMENT**

In return for prices submitted, the Department of Health, Hansen's Disease Branch, Kalaupapa Settlement will purchase all of their gasoline requirements from the successful low bidder.

### **QUANTITIES**

Quantities listed herein are estimates for the 6-month period specified. No guarantee to purchase the exact amount listed is intended or implied. The State reserves the right to purchase larger or smaller quantities at the prices quoted on this proposal.

### **MULTIPLE OR ALTERNATE BIDS**

An offeror may submit only one bid in response to a solicitation. If an offeror submits more than one bid in response to a solicitation, then all such bids will be rejected.

Similarly, an offeror may submit only one bid for each line item (if any) of a solicitation. If an offeror submits more than one bid per line item, then all bids for that line item will be rejected.

### **BID PREPARATION**

OFFER FORM, Page OF-1. Offeror is requested to submit its offer using offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on OFFER FORM, page OF-1. Failure to do so may delay proper execution of the contract.

Offeror's authorized signature shall be an original signature in ink. If OFFER FORM, page OF-1, is unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the offeror's intent to be bound.

## BID PREPARATION (continued)

Bid Price. Bid Prices shall be based on delivery to destination and shall include all costs incurred except the Federal Excise Tax, the State of Hawaii and County fuel oil taxes, and the Hawaii General Excise Tax, currently 4%. The amount of General Excise Tax, and applicable State and County fuel oil taxes shall be added as separate line items when invoicing. The Hawaii General Excise Tax shall not exceed the current 4% rate, and shall be computed on the Base Bid Price only, excluding the Federal Excise Tax, State of Hawaii and County fuel oil taxes. The State of Hawaii is exempt from the Federal Excise Tax on gasoline and diesel fuel, and the Contractor shall submit a Federal Excise Tax exemption certificate for execution by the State prior to award of this Invitation For Bid.

**BIDDERS MUST EXEMPT THE STATE FROM FEDERAL EXCISE TAXES. ANY REFUNDS DUE SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR.**

Tax Clearance. An **original or certified copy** of a tax clearance issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with your sealed offer by the due date and time. The tax clearance shall be obtained on the attached two-part **Tax Clearance Application (Form A-6)** that combines DOTAX and IRS tax clearances.

The application may be mailed in or walked in to either the DOTAX or the IRS. The addresses for DOTAX and IRS district offices are listed on Form A-6. There is limited walk-in service at IRS Maui and Hawaii offices, and none on Kauai.

The DOTAX and IRS encourage the use of their mail-in service, in lieu of walk-in service. We recommend that you mail it to DOTAX where it will be processed and forwarded to the IRS. The process should be completed within twenty-one (21) calendar days. Use of the walk-in service may result in waiting in line at both agencies.

For your information, the tax clearance is valid for forty-five (45) days. If the DOTAX approves a tax clearance certificate on one date and the IRS approves it on another date, the 45-day period will begin with the later date. For example:

|                            |                   |
|----------------------------|-------------------|
| DOTAX approval stamp date: | 7/1/96            |
| IRS approval stamp date:   | 7/5/96            |
| Tax clearance valid:       | 7/5/96 to 8/18/96 |

The tax clearance submitted with your sealed offer must be valid on the solicitation legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with your offer will remain valid for the contract award.

Since this is a new process, however, and a mail-in application is encouraged, we will accept for the purpose of this solicitation a completed SPO Form TEMP B, "Certification for Tax Clearance" in place of the DOTAX Form A-6, if you are unable to obtain a tax clearance by mail in time to include it with your sealed offer. See attached pink NOTICE for the SPO Form TEMP B.

## BID PREPARATION (continued)

### Tax Clearance (continued)

NOTE: The above tax clearance requirement is in addition to the existing requirement for final payment. Refer to the special provisions on INVOICING below for information on the tax clearance requirement for final payment.

Taxable Transaction. Work to be done under this contract is a taxable transaction and bidder receiving award will be required to pay State of Hawaii General Excise Tax, currently 4%.

Brochures and/or Specifications Literature. Upon State's request, bidder(s) shall submit current brochures, material safety data sheets for product and/or specifications literature, verifying that the product offered conforms to the requirements of this contract.

## PRICE ADJUSTMENT

The Base Unit Bid Price per gallon for gasoline and diesel fuel shall be increased or decreased no more than once a month provided all of the following conditions are met:

- a. The Contractor shall provide documentation to establish the monthly average dealer price per gallon based on the Lundberg Survey, Inc. DTW Wholesale Price Survey for Honolulu, Hawaii for the 30-day period immediately preceding the bid opening date.
- b. The Contractor shall compute and document the average monthly Lundberg DTW dealer price per gallon for the fuel purchased by the State for each monthly billing period.
- c. The Base Unit Bid Price per gallon billed to the State shall be adjusted by the percentage of increase or decrease of the Lundberg DTW average monthly dealer price by comparing the price at time of bid with the price during the billing period. For example, a 10% increase in the Lundberg index will result in a 10% increase on the Base Bid Price per gallon.
- d. The 4% State excise tax amount shall be computed on the adjusted Base Unit Bid Price only, excluding the Federal Excise Tax and the State and County fuel oil taxes.
- e. Any changes to the State and County tax amounts shown on the bid OFFER FORM subsequent to the bid opening date will be allowed when authorized.
- f. No increases will be considered for the Contractor's labor or operating costs except as described above for the duration of this contract.

## **BULK DELIVERY TO KALAUPAPA SETTLEMENT**

The following provisions will apply to the sale and delivery of regular unleaded gasoline to Kalaupapa Settlement on Molokai.

Project Site. Prospective bidders may inspect Kalaupapa Settlement at their own expense to familiarize themselves with existing conditions, rules and regulations, and to satisfactorily understand the scope of work and terms of the delivery. Bidders interested must contact Mr. Michael Maruyama of the Department of Health at (808) 735-2472 to arrange this inspection.

The storage tanks are located approximately 400 feet from the pier berthing area and the intake pipe is four (4) inches in diameter. The pier berthing area is 29 feet wide and the pier deck extends 37 feet and narrows to a width of 19 feet. A slightly curving concrete access ramp connects the pier deck to an asphalt landing area. The ramp is 18 feet wide and 100 feet long. At high tide, the minimum water depth off the pier is 8 feet deep (distance from the water level to the pier deck is 10 feet). At low tide, minimum water depth off the pier is 3 feet.

Delivery to Kalaupapa. Bidders are advised that the State will contract barge services to ship various goods between Oahu and Kalaupapa Settlement in the month of July. Actual departure dates will depend upon weather and ocean conditions. This barge will depart from Honolulu and sail directly to Kalaupapa Settlement and upon discharge return directly to Honolulu. The State will allow the successful bidder to transport the bulk gasoline and other pertinent equipment on this scheduled barge at no cost to the Contractor provided he gives proper notification and receives approval from the State. If bidder intends to utilize this method of transporting the gasoline, bidder must contact Mr. Michael Maruyama prior to submitting a bid to determine if equipment meets all shipping and space requirements. Trailers, if used, will be restricted to 5,000-10,000 gallons each, and tires must be of pneumatic type.

The unleaded gasoline furnished under these specifications will be delivered and stored in Kalaupapa Settlement storage tanks in the following increments:

|                                  |                    |
|----------------------------------|--------------------|
| <u>Regular Unleaded Gasoline</u> | <u>Time Period</u> |
| 30,000 gallons                   | July 14-31, 1997   |

The Contractor shall coordinate the delivery with Mr. Michael Maruyama or his designated representative. The delivery receipt must be signed by a representative of the State.

## **METHOD OF AWARD**

Award, if any, will be made to the respective and responsible bidder submitting the lowest Total Estimated Bid Price.

## **STANDARDS**

Title 4 Department of Agriculture, Subtitle 7 Division of Measurement Standards, Chapter 86, Section 4-86-10, Specifications for petroleum products shall apply to all products listed herein.

The sale, distribution and transportation of petroleum products specified herein shall comply with all Federal, State and County laws and ordinances, and rules and regulations.

## **SPECIAL PROVISIONS**

## **EXECUTION OF CONTRACT**

The State shall forward a formal contract to the successful offeror for execution. The contract shall be signed by the successful offeror and returned within ten (10) days after receipt by offeror as specified in Section 3.3 of the General Terms and Conditions. NO PERFORMANCE AND PAYMENT BONDS ARE REQUIRED.

## **ORDERING**

Purchase orders will be submitted to the Contractor by the Department of Health during the contract period. Any orders received by the Contractor during the contract period must be honored by the Contractor and he is obliged to deliver according to the contract terms and within the required delivery time.

## **INVOICING**

Contractor shall forward an original and three copies of the invoice directly to the ordering agencies. The invoices shall indicate the adjusted Base Bid Prices for gasoline and diesel, when applicable in accordance with the PRICE ADJUSTMENT provisions of these specifications. The amount of applicable State Excise Tax, State and County fuel oil taxes shall be shown separately and added to the base bid prices on the invoice.

## **PAYMENT**

Section 103-10, Hawaii Revised Statutes (HRS), provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory completion of contract to make payment. For this reason, the State will reject any bid submitted with a condition requiring payment within a shorter period. Further, the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by Section 103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

## **SALES REPORT**

Within thirty (30) days after the end of the contract period, the Contractor shall submit a written report to the State Procurement Office, indicating the total quantity purchased by State agencies for each item awarded. Item numbers and item descriptions shall be listed in order as it appears in the IFB. Additional reports may be required. If requested, the Contractor shall provide a sales report within thirty (30) days after request.



## **FAILURE TO DELIVER**

Contractor shall be obliged to deliver products awarded in this contract in accordance with the terms and conditions stated herein. If a Contractor is unable to deliver products under contract, it shall be the Contractor's responsibility to obtain prior approval of the ordering agency to deliver an acceptable substitute at the contract price quoted. It shall be the Contractor's responsibility to obtain such substitute. In the event Contractor consistently needs to substitute or refuse to substitute products, the State reserves the right to terminate the contract and/or initiate the debarment process pursuant to chapter 3-126, Legal and Contractual Remedies, HAR.

## **ADDITIONS AND EXCEPTIONS TO THE GENERAL TERMS AND CONDITIONS**

Approvals. Any agreement arising out of this offer is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.

Cancellation of Solicitations and Rejection of Offers. The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency, as provided in Sections 3-122-95 through 3-122-97, Hawaii Administrative Rules.

General Terms and Conditions Not Applicable. Sections 2.11 and 2.14 of the General Terms and Conditions which apply specifically to the Request for Proposals method of source selection are not applicable to Invitation for Bids. Also Sections 2.10 and 2.13 which apply specifically to the Invitation for Bids method of source selection are not applicable to Requests for Proposals.

Records Retention. The Contractor and any subcontractors shall maintain the books and records that relate to the Agreement and any cost or pricing data for three (3) years from the date of final payment under the Agreement.